



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

Michael O. Leavitt
Governor

Dianne R. Nielson, Ph.D.
Executive Director

Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146 Voice
(801) 538-6016 Fax
(801) 536-4414 T.D.D.

note: hand to Steve Lyle
LYLE STOTT

Water Quality Board
William A. Luce, P.E.
Chairman

Kay S. Jensen
Vice Chairman

R. Rex Ausburn, P.E.
Patricia S. Briggs

Nan Bunker

Dianne R. Nielson, Ph.D.

Joe C. Nielson

Lynn F. Pett

Keith W. Welch

Leroy H. Wullstein, Ph.D.

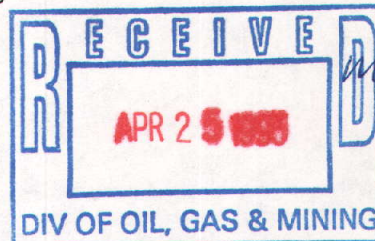
Don A. Ostler, P.E.
Executive Secretary

**DOGM
MINERALS PROGRAM
FILE COPY**

March 17, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James A. Smith
USMX of Utah, Inc.
P. O. Box 2650
St. George, Utah 84770



m/053/005

RE: Notice of Violations and Order
Docket No. DE95-01

Dear Mr. Smith:

The enclosed Notice of Violations and Order, Docket No. DE95-01, lists violations at the Goldstrike Mine. In view of the nature of these violations, we must proceed with formal enforcement action in order to pursue a satisfactory resolution of the violations.

We urge you to direct your attention to this matter. If you have any other questions in the matter, please contact Mr. Kiran L. Bhayani or Mr. Fred Pehrson of my staff.

Sincerely,
Utah Water Quality Board

Don A. Ostler
Don A. Ostler, P.E.
Executive Secretary

Enclosure

DAO:KLB:

cc: Fred Neslon, Esq., Office of the Attorney General
Mr. Gary Edwards, Southwest District Public Health Department
Mr. Wayne S. Thomas, P. E., Southwest District Engineer
Mr. Steve Burkett, US Environmental Protection Agency, Region VIII

L:USMX035.LT_
15533/16/95



UTAH WATER QUALITY BOARD

IN THE MATTER OF
USMX OF UTAH, INC.
ST. GEORGE, UTAH

DOCKET No. DE95-01
NOTICE OF VIOLATION
AND ORDER

STATUTORY AUTHORITY

THE UTAH WATER QUALITY BOARD (hereinafter "Board") issues this NOTICE OF VIOLATION AND ORDER (herein after "Order") under the Water Quality Act, as amended, including §19-5-104, §19-5-106, §19-5-111 and §19-5-115, *Utah Code Annotated*, (hereinafter Code or UCA), and in accordance with the Utah Administrative Procedures Act, §63-46b-1, et seq.

FINDINGS

1. USMX OF UTAH INC. (hereinafter "USMX") operates a heap leaching facility for extraction of gold in the Gold Strike Mining District in the Beaver Dam Mountains, northwest of St. George, Utah.
2. Pursuant to UCA §19-5-107(1) , ... it is unlawful for any person to place or cause to be placed any wastes in a location where there is probable cause to believe it will cause pollution
3. Pursuant to UCA §19-5-107(2)(a) ...It is unlawful for any person, without first securing a permit from the executive secretary as authorized by the board... to make any discharge not authorized under an existing valid discharge permit... ..
4. Pursuant to Part 1.C.1.d. of the ground water discharge permit No. UGW530001 issued under R317-6-6.1.A, *Utah Administrative Code* (hereinafter "UAC"), the Hamburg Pond was approved to receive fresh water only. The pond is not constructed to meet the best available technology (BAT) standard, as defined in UCA, R317-6-1.3 and 4, to receive process fluids.
5. Pursuant to the ground water discharge permit No. UGW530001, Part 1.C.1., no discharge is permitted from the operation or the facility.
6. The following events have occurred at the Goldstrike Mine in last four months:
 - a. On December 29, 1994, process waters were discharged into the 5-million gallon Hamburg pond.
 - b. During the past several months, precipitation from a series of storm events has accumulated in the process, recycle and make-up water ponds at the mine.

- i. During the rainstorm on March 11, 1995, and thereafter, USMX discharged contaminated water to the sedimentation pond, which overflowed into Arsenic Gulch, and then to the East Fork of Beaver Dam Wash. Although the discharges from the ponds were directed into the sedimentation pond, this pond was designed only to retain solids in storm water runoff. Contaminated water from the sedimentation pond seeped through the earthen embankment to the underlying soils.
- ii. The following discharges out of the Hamburg and recycle ponds were reported or have been noted:
 - (1) March 11, 1995 - 1.5 million gallons
 - (2) March 12, 1995 - 2.9 million gallons
 - (3) March 13, 1995 - 2.6 million gallons
 - (4) As of March 14, 1995 - approximately 650 gallons per minute

VIOLATIONS

USMX is in violation of:

1. §19-5-107(1), *UCA*, for placing wastes in a location where there is probable cause to believe pollution will result, pursuant to Findings 2 and 6.
2. §19-5-107(2), *UCA*, and *UCA*, R317-6-6.16, for making a discharge not authorized under an existing valid discharge permit, pursuant to Findings 3 and 6.
3. *UCA*, R317-6-1.3 and 4., and the ground water discharge permit No. UGW530001, for discharge to a facility that does not meet the best available technology (BAT) standard, pursuant to Findings 4, 5, and 6.

ORDER

USMX is hereby ordered to:

1. Not add additional cyanide to the leach circuit, until authorized to do so by the executive secretary.
2. Comply with the applicable water quality laws, rules and permits immediately and hereafter.
3. Submit a report to the Executive Secretary within fifteen (15) days of receipt of this order, covering details of circumstances that caused USMX to discharge, including flow rate, volume, time of occurrences, duration, water quality of discharge, and an assessment of impacts to the environment.
4. Submit a report to the Executive Secretary within fifteen (15) days of receipt of this order that

defines in detail the actions taken and planned to be taken including a schedule to avoid such incidents in the future.

5. Obtain soil samples for analysis and submit written information on the extent of any residual contamination in soils that may have been affected and potential for pollution of ground water contamination within 180 days.
6. Begin collection of sample immediately on a monthly basis, from down gradient monitoring well MW-7, 9 and 10, and analyze for total and free cyanide and other parameters described in the ground water discharge permit, for a period of six months, and submit data to the board with the monitoring report required by the ground water discharge permit.

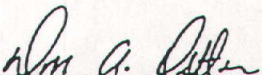
NOTICE

Any further administrative proceedings in this case shall be conducted formally, under UCA §63-46b-6 through §63-46b-14, inclusive, and UAC R317-1-8. If you want to contest this Notice of Violation and Order, you must respond to it in writing and request a hearing from the board. The response and request for a hearing must be received by the executive secretary within thirty (30) days of the date of receipt of this Notice of Violation and Order. If no response and request for hearing are received, the Notice of Violation and Order shall be considered final.

Under §19-5-115, *Utah Code Annotated*, one who violates the Act or a related permit, rule, or order may be subject to a civil penalty of up to \$ 10,000 per day of violation. Under certain circumstances of willfulness or gross negligence, violators may be fined up to \$ 25,000 per day.

Dated this 20th day of March, 1995.

Utah Water Quality Board


Don A. Ostler, P.E.
Executive Secretary

KLB:USMX3.NV_
1715-3/16/95